

<div>CITY OF SAN JOSÉ, CALIFORNIA Department of Planning, Building and Code Enforcement 801 North First Street, Room 400 San José, California 95110-1795</div> <div>STAFF REPORT</div>	Hearing Date/Agenda Number P.C. 5/22/02 Item: 4.f.
	File Number PDC 02-029
	Application Type Planned Development Rezoning
	Council District 5
	Planning Area Alum Rock
	Assessor's Parcel Number(s) 481-19-132, 133, 134 and 135
PROJECT DESCRIPTION	
Completed by: Susan Walsh	
Location: Southeast corner of Alum Rock Avenue and McCreery Avenue.	
Gross Acreage: 2.49	Net Acreage: 2.12
Net Density: 49.5 DU/AC	
Existing Zoning: R-1-8 Residence, CG Commercial	
Existing Use: Retail/vacant	
Proposed Zoning: A(PD) Planned Development	Proposed Use: up to 93 multiple-family attached dwelling units, 12 single-family attached units and and 7,600 square feet of commercial space
GENERAL PLAN	
Completed by: SBW	
Land Use/Transportation Diagram Designation General Commercial, Medium High Density Residential(12-25 DU/AC) Urban Transit Oriented Development Corridor(45+DU/AC), Neighborhood Business District Overlay	Project Conformance: [x] Yes [] No [x] See Analysis and Recommendations
SURROUNDING LAND USES AND ZONING	
Completed by: SBW	
North: Commercial and Residential	CG Commercial, A(PD)
East: Commercial	CG Commercial
South: Residential	R-1-8 Residence
West: Commercial and Residential	CG Commercial, R-1-8 Residence
ENVIRONMENTAL STATUS	
Completed by: SBW	
[] Environmental Impact Report certified [x] Negative Declaration circulated on May 2, 2002 (to be adopted on May22, 2002) [] Negative Declaration adopted	[] Exempt [] Environmental Review Incomplete
FILE HISTORY	
Completed by: SBW	
Annexation Title: Capitol No. 29	Date: April 28, 1970
PLANNING DEPARTMENT RECOMMENDATIONS AND ACTION	
[X] Approval [] Approval with Conditions [] Denial	Date: _____ Approved by: _____ [] Action [✓] Recommendation
APPLICANT/OWNER	
Green Valley Corporation 777 North 1 st St, 5 th Floor, San Jose, CA95112	

PUBLIC AGENCY COMMENTS RECEIVED

Completed by: **SBW****Department of Public Works**

See attached memo

Other Departments and Agencies

See attached memos from Fire Department, Police Department, and Environmental Services Department, Valley Transportation Authority(VTA)

GENERAL CORRESPONDENCE

See attached correspondence.

ANALYSIS AND RECOMMENDATIONS

BACKGROUND

The applicant is requesting a Planned Development Rezoning for a vertically mixed-use project that would include 7,600 square feet of commercial uses on the ground floor, 93 multiple-family attached affordable residential units, and up to 12 single-family attached affordable units, on a 2.49 gross acre site, located on the southeast corner of Alum Rock Avenue and McCreery Avenue. The project includes the relocation of the designated City landmark “Orange” structure and the associated Mark’s Hot Dog’s sign to a nearby site located on the east side of Capitol Avenue, about 150 feet south of Alum Rock Avenue. A separate Conditional Use Permit, CP02-022, is proposed for the relocation of the “Orange” and the operation of Mark’s Hot Dog at this new location.

This mixed-use project is anticipated to be built in two phases. The first phase would construct 93 multiple-family residential units and the 7,600 square feet of commercial use, and the second phase would construct up to 12 single-family attached residential units.

Existing uses in this area include a mixture of commercial and single- and multiple-family residential uses. The subject site is surrounded by commercial and residential uses to the north, commercial uses to the east, a mixture of commercial and residential uses to the west and residential uses to the south along McCreery Avenue. The site is also located in the Mayfair Strong Neighborhood Initiative (SNI) planning area.

The project fronts onto the Alum Rock Transit-Oriented Development Corridor. The Valley Transportation Authority is expected to start construction on this light rail corridor in 2005. The Santa Clara/Alum Rock line will connect to Downtown to the west and to the Capitol Avenue corridor to the east, which is already under construction and expected to be operative by 2004. The light rail line would eventually also connect to Eastridge Shopping Center, and then southwesterly to State Route 87/ Guadalupe Corridor. This project would be the first vertical mixed-use transit-oriented development on this planned light rail corridor

ENVIRONMENTAL REVIEW

An Initial Study was prepared for this project and a Mitigated Negative Declaration was adopted by the Director of Planning on May 2, 2002 (attached). The Initial Study included a noise report, traffic report, cultural /historic resources report, a tree survey and a burrowing owl survey. Mitigation measures identified in the reports have been incorporated into the project.

The Traffic Report, prepared by an independent traffic consultant, concluded that the project would generate 71 AM peak hour trips and 52 PM peak hour trips, which is considered to be less than significant impact per City thresholds. The Public Works Department also performed a subsequent in-house traffic analysis for this project which concluded that the net increase would be less than significant and that the project would be in conformance with the City Transportation Level-of-Service Policy. A new traffic signal is warranted at the Intersection of Alum Rock Avenue and McCreery Avenue and the applicant will be required to contribute \$35,000 toward the traffic signal that is anticipated to be installed in one year. There would be no significant level-of-service impacts to local or regional streets resulting from the project.

The potential impacts to the “Orange” structure, a designated City Landmark, will be mitigated to a less than significant level by requiring the applicant to relocate and rehabilitate the Orange and its associated sign. A Mitigated Negative Declaration (issued on May 2, 2002) required that the Orange relocation be completed prior to the issuance of a Planned Development Permit for this mixed-use project. Subsequent to the circulation of the Mitigated Negative Declaration it came to staff’s attention that the applicant is required to obtain a Planned Development Permit by mid-June in order to qualify for consideration for State funding for the affordable housing portion of the project. To assist the developer in meeting this deadline, staff recommends that the mitigation for the relocation of the Orange be altered to require that the applicant relocate the Orange and the sign prior to the issuance of a Public Works Clearance, grading permit or building permit, rather than prior to the issuance of a Planned Development Permit. This reworded mitigation, stated below, will provide adequate mitigation to reduce the impact to a less than significant level because it will not allow the project to begin grading or construction until the “Orange” has been completely relocated and rehabilitated and a final inspection has been completed.

Proposed Change to the wording of Mitigation Measure No. 6 (to mitigate impacts to historic resources) of the Mitigated Negative Declaration.

Revised wording of Mitigation No. 6 of the Negative Declaration:

Prior to the issuance of any Public Works clearance, grading permit or building permit for subject project, the developer shall (1) relocate and rehabilitate the Orange and the marks Hot Dog sign in full conformance with the approved and accepted Conditional Use Permit File No. CP02-022 and (2) obtain a final inspection for the relocation and rehabilitation to the satisfaction of the Director of Planning, Building and Code Enforcement.

GENERAL PLAN CONFORMANCE

The project is consistent with the San Jose 2020 General Plan Land Use/Transportation Diagram designations of General Commercial, Medium High Density Residential (12-25 DU/AC), Alum Rock Neighborhood Business District and Urban Transit Oriented Development Corridor (UTOD Corridor 45+DU/AC) since the project is designed as a transit-oriented mixed-use development (with a mixture of affordable housing above commercial use). The project proposes high-density residential development at a density of 49.5 DU/AC, which is consistent with the 45DU/AC+ density of the UTOD Corridor designation of the General Plan. The project also meets the goals of the Alum Rock Development Strategy and the Implementation Plan for the

Strategy, which is currently under preparation, since this project will support the existing business uses on Alum Rock Avenue and provide neighborhood-serving retail and office uses. The project is consistent with the Development Strategy recommendation for the development of a new residential street parallel to Alum Rock Avenue to facilitate improved access and future development for the long narrow parcels to the east of this site. The General Plan Transit-Oriented Development Corridor is intended to encourage higher density residential and mixed-use development in proximity to transit which is consistent with the proposed project design.

The project is also consistent with the Growth Management, Housing, and Sustainable City General Plan Major Strategies, in that the project makes efficient use of an existing urban infill site providing higher density, affordable housing and commercial uses near light rail transit, a major transportation corridor and jobs.

ANALYSIS

The primary project issues include Land Use Compatibility and conformance as determined through conformance with Council Policy 6-24 (Evaluation Criteria for High Density Housing near Rail Transit) and conformance to the Residential Design Guidelines for Mixed-use Projects.

Land Use Compatibility and Conformance to Council Policy 6-24 for High Density Housing near Rail Transit

Site Location. Per the Policy, the project is located within close walking distance (less than 2,000 feet) of two transit stations which are planned to be located on Alum Rock Avenue at the intersections with King Road and Sunset Avenue. The project design addresses the interface with the single-family neighborhood to the south and west by providing two-story elevations adjacent to these existing residential uses. The new 48-foot wide residential street will also provide a buffer between the mixed-use project and this residential use to the south. The project will not displace viable non-residential uses important to the City's broader economic interests, however it will involve the relocation of the City Landmark "Orange" structure (occupied by the Mark's Hot Dogs restaurant). An identified relocation site on North Capitol Avenue will provide a good location for the landmark structure and improved site amenities for the restaurant. The project capitalizes on existing infrastructure, services, and amenities present along Alum Rock Avenue and in the surrounding neighborhood, making efficient use of existing roads, transit facilities, and shopping. Many of the sites in this area are underutilized and partially vacant and the new residential street will enable improved access to these sites and better development opportunities than what exists currently. The project will also contribute park fees that will be used to develop additional park facilities within the neighborhood.

Relationship to Single-family Residential Development. The policy requires that there be a compatible interface between high density housing and single-family development, with separation either by an intermediate land use or adequate physical barrier, i.e. major arterial or creek. This project is separated from the single-family detached residential neighborhood to the south by the new proposed 48-foot residential street. The lower two-story height of the proposed residential units adjacent to the lower density neighborhood will provide a good transition to the existing neighborhood.

Relationship to Surrounding Properties. The proposed project will relate well to the immediate area since the surrounding uses include a mixture of residential and commercial use. The project's scale and massing is similar to that of the Mexican Heritage Cultural Plaza located less than 2,000 feet to the west of the site. It is also similar in height and scale to a recently approved 3-story housing project at the northeast corner of Jose Figueres and Alum Rock Avenue and to the Eastside Community Center and Housing project located to the

east on Alum Rock Avenue. This mixed-use project will be an overall improvement to this neighborhood because it will revitalize this underdeveloped area, and will invigorate the Alum Rock neighborhood by adding some new commercial and office uses and affordable housing units. The project's overall height will be greater than that of the surrounding immediate development, however the 2-story element will provide a good transition to project's edges.

On-site Project Requirements. Per the policy, the project features a mixture of uses and a strong transit orientation. The commercial space planned along Alum Rock Avenue will provide retail and other neighborhood-serving uses to benefit the surrounding area. Parking will be provided per the Zoning Code requirements, with a 10 percent reduction provided for under the Code due to the site's proximity to the future light rail stations. Adequate useable private and common open space will be provided for residents.

Residential Design Guidelines Conformance.

The project design allows for neighborhood commercial uses in a ground floor podium structure facing Alum Rock Avenue and a 2- and 3-story residential village oriented to an open space commons on the top of the podium. An associated parking garage is planned within the at-grade podium structure. The overall height of the primary building mass will be 43 feet. The project also includes the construction of up to 12 two-story single-family attached residential units located in the rear panhandle of the project, closest to the existing single-family detached residential uses to the south.

The commercial building façade on Alum Rock Avenue will make use of minimal front setbacks (ranging from 7-11 feet), wide sidewalks lined with street trees to allow space for outdoor cafés, street furniture, bicycle parking, and planter boxes. This design will provide an urban presence along the street and will encourage pedestrian circulation and activity to increase street animation along the Alum Rock light rail line. At-grade units, tucked under the podium with entries facing McCreery Avenue and the new 48-foot residential street will enhance the residential neighborhood street presence. The residential units along McCreery Avenue will have covered porchway entries to enhance the residential streetscape.

Parking will be provided in an at-grade parking structure located within the podium for 131 parking spaces with access from Alum Rock Avenue, McCreery and the new residential street. The commercial parking will be located to the rear of the commercial uses within the podium. The parking garage will be screened from the streets by the retail uses and building facades. A minimum of 24 on-site-parking spaces will be provided for the 12-unit attached residential portion of the project, and 22 on-street parking spaces will also be provided on McCreery Avenue and on the new residential street. A 10 percent parking reduction is proposed since the project is within 2,000 feet of two planned light rail stations. Alternating shared parking use may be possible between the commercial and the residential uses since the hours of peak parking demand are different.

The project will provide about 65 percent two-bedroom units (approximately 950 square feet in size) and 30 percent three-bedroom units (ranging in size from 1,168-1,232 square feet) with a small number of one-bedroom units. The developer is also proposing to give priority in tenancy to the existing Mayfair area residents. The commercial space will provide a mixture of 60 percent retail use and 40 percent office use. Common open space is provided in the landscaped commons on the podium to serve the residents. All of the units feature private open spaces in the form of patios and balconies.

The landscaped open space commons located on the podium will provide a community meeting room and patio, a play area and tot lot for children. Other project amenities will be provided including laundry facilities, a computer training center for tenants, and VTA Eco-passes for discount transit use for tenants.

The conceptual building design is Spanish Colonial architecture incorporates stucco and wood buildings with a variety of tiled roof forms, wrought iron, decorative colored tiles and awnings, and two towers facing Alum Rock Avenue. The building massing varies from a mixture of 2- and 3-story adjacent to the streets to 3 and 4 story in the middle of the project.

Overall, the project conforms to the relevant design guidelines for high-density mixed-use development. The project presents an opportunity for a model vertical mixed-use transit-oriented development project that will reduce traffic congestion and air pollution. The proposed high density housing takes advantage of the light rail line, and in turn reinforces the viability and efficiency of the light rail line by placing residents in a position to realistically use it. The project is the right match of construction type to site location because the project responds to the existing scale of development in the broader neighborhood area of Alum Rock Avenue

COMMUNITY OUTREACH

A public hearing notice for the project was published in a local newspaper and mailed to all property owners and tenants within 1000 feet of the subject site. The applicant has presented the project at several community meetings, the most recent taking place April 25, 2002. Some members of the community raised concerns that the City has approved too many affordable housing units within Council District 5, and they indicated a preference for market-rate housing. Residents were also concerned with traffic congestion, neighborhood security, parking, lack of parks, and adequacy of public services including schools and Police and Fire protection.

There were also some people in support of the mixed commercial/residential project who felt that there was a great need for this type of housing and indicated that most of the new housing being built elsewhere in the City is too expensive. There was support for the provision of Eco-passes for residents to encourage transit use, and some residents asked how they could apply to rent the future units. Some of the attendees requested that Mayfair residents receive priority in tenant selection.

Response to the issues raised at the community meeting

Amount of Affordable Housing in District 5: Affordable housing has been approved throughout the City of San Jose, and has not been concentrated in Council District 5. Over the last 3 years, the greatest number of affordable housing units have been built in District 7 (1426 units), almost three times the number of affordable units built in District 5. Districts 5 and 6 have 565 and 509 units respectively. In District 9, 211 units have been built, and District 1 and 2 have each had about 100 units of affordable housing approved.

Level of Traffic Congestion:

The Traffic Report for the project indicates that the project will result in only 71 AM and 52 PM peak hour trips which is considered a less than significant impact given that the project is in conformance with the City's Transportation Level-of-Service Policy.

Impacts to Public Services:

Staff has received correspondence from the San Jose Police and Fire Departments indicating that Police and Fire service to this area is adequate to serve this project with certain site specific improvements that the applicant will be required to meet. The applicant will also be required to pay standard school impact fees to the school district.

Lack of Parks:

This area is not considered by the San Jose City Parks Department to be “parks deficient”; however, the applicant will be required to pay in-lieu Park Dedication fees in the amount of \$384,150 which will be used for the development of parks in this vicinity of the City.

Parking :

The applicant will provide 130 on-site parking spaces and 25 on-street spaces for the mixed-use portion of the project. In addition, a minimum of 24 spaces will be provided for the 12-unit single-family attached portion of the project. The proposed parking will adequately conform to the City’s zoning ordinance requirements for parking.

RECOMMENDATION

Planning staff recommends the Planning Commission forward a recommendation of approval and the City Council adopt an ordinance rezoning the subject site for the following reasons:

1. The proposed rezoning conforms to the subject site’s mixture of General Plan Land Use Transportation Diagram Designations of Urban Transit Oriented Development Corridor (45+DU/AC), General Commercial, Medium High Density Residential (12-25 DU/AC) and Neighborhood Business District overlay.
2. The proposed project will further the goals and policies of the General Plan’s Housing Strategy by providing high-density infill housing in close proximity to transit and commercial/retail opportunities.
3. The project conforms to Council Policy 6-24, Evaluation Criteria for High Density Housing near Rail Transit.
4. The proposed project conforms to the applicable Residential Design Guidelines for Mixed-use Projects.

Staff also recommends that the following revised wording be adopted to replace the mitigation for impacts to historic resources:

Mitigation Measure No. 6:

Prior to the issuance of any Public Works Clearance, grading permit or building permit for subject project, the developer shall (1) relocate and rehabilitate the Orange and Mark’s Hot Dog sign in full conformance with the approved and accepted Conditional Use Permit File No. CP02-022 and (2) obtain a final inspection for the relocation and rehabilitation to the satisfaction of the Director of Planning, Building and Code Enforcement.

C: Bill Zavalaris, Community Housing Developers, and 255 North Market St., San Jose, CA 95110

SBW:11/207-02